

HOUSE BILL 412

By Pitts

AN ACT to amend Tennessee Code Annotated, Title 29, Chapter 34, Part 2 and Title 55, Chapter 3, Part 1, relative to transfers of motor vehicle ownership.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-3-118, is amended by designating present subsection (d) as new subsection (e) and by adding the following language as new subsection (d):

(d) Whenever the owner of a vehicle registered under the title provisions of chapters 1, 2, this chapter and chapters 4-6 of this title, sells or transfers such owner's title or interest in, and delivers the possession of, the vehicle to another, the owner shall, within five (5) calendar days, notify the department of the sale or transfer on the appropriate form as provided by the department of the following:

- (1) Date of such sale or transfer;
- (2) Name and address of the owner and of the transferee;
- (3) Description of the vehicle, including vehicle identification number

(VIN); and

(4) Actual mileage of the vehicle as indicated by the vehicle's odometer at the time of sale or transfer; provided, that if the vehicle owner has knowledge that the mileage displayed on the odometer is incorrect, the owner shall indicate on the appropriate form the true mileage, if known, of the vehicle at the time of sale or transfer.

SECTION 2. Tennessee Code Annotated, Section 55-3-120, is amended by adding the following language as a new subsection:

(d) Every dealer, upon transferring by sale, lease, or otherwise any vehicle, whether new or used, of a type subject to registration under the title provisions of chapters 1, 2, this chapter and chapters 4-6 of this title, shall, not later than the end of the fifth calendar day thereafter not counting the day of sale, give written notice of the transfer to the department upon an appropriate form as provided by the department, of the following information:

- (1) Date of such sale or transfer;
- (2) Name and address of the owner and of the transferee;
- (3) Description of the vehicle, including vehicle identification number (VIN); and
- (4) Actual mileage of the vehicle as indicated by the vehicle's odometer at the time of sale or transfer; provided, that if the dealer has knowledge that the mileage displayed on the odometer is incorrect, the dealer shall indicate on the appropriate form the true mileage, if known, of the vehicle at the time of sale or transfer.

SECTION 3. Tennessee Code Annotated, Title 55, Chapter 3, Part 1, is amended by adding the following language as a new section:

§ 55-3-128.

An owner who has made a bona fide sale or transfer of a vehicle and has delivered possession of the vehicle to a purchaser shall not be deemed the owner of the vehicle so as to be subject to criminal liability for any violation of any provision of chapter 8-10, 12 or 21 of this title thereafter by another's use of such vehicle when the selling or transferring owner, in addition to that delivery and that bona fide sale or transfer, has fulfilled either of the following requirements:

(1) The owner has made proper endorsement and delivery of the certificate of ownership as provided in this title, chapters 1-6; or

(2) The owner delivered to the department or has placed in the United States mail, addressed to the department, the notice required by either §§ 55-3-118(d) or 55-3-120(d).

SECTION 4. Tennessee Code Annotated, Title 29, Chapter 34, Part 2, is amended by adding the following language as a new section:

§ 29-34-208.

An owner who has made a bona fide sale or transfer of a vehicle and has delivered possession of the vehicle to a purchaser shall not be deemed the owner of the vehicle so as to be subject to civil liability for any personal injury, property damage or death caused by such vehicle by another person when the selling or transferring owner, in addition to such delivery and such bona fide sale or transfer, has fulfilled either of the following requirements:

(1) The owner has made proper endorsement and delivery of the certificate of ownership required by title 55, chapters 1-6; or

(2) The owner delivered to the department of revenue or has placed in the United States mail, addressed to the department, the notice required by §§ 55-3-118(d) or 55-3-120(d).

SECTION 5. The commissioner of revenue is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 6. This act shall take effect July 1, 2009, the public welfare requiring it.